

The CWA Unified Council of Michigan cannot support HB 4314 because of the following reasons:

The elimination of primary basic local exchange service (PBLES); the repeal of Sections 102y, 301a and 304 remove the requirement to provide PBLES. It also removes the requirement that PBLES be offered at the MPSC regulated rate.

The total elimination of all service quality rules; the current bill abolishes the MPSC authority to establish and enforce any service quality rules. It also repeals the billing and disconnection rules established by Sections 203a, 213 and 314 and the truth in billing requirements, Section 305b.

Lastly, and possibly the most important is the amendment to discontinue service language.

HB 4314 adds language to Section 313, which would allow a provider to discontinue service to an exchange if "comparable voice service" is available in the exchange. A "comparable voice service" would include VOIP and wireless. These are services the Commission has no oversight to regulate (especially given the language in HB 4314 to add VOIP service to the list of unregulated services in Section 401). This could allow all landline providers to withdraw from an exchange, leaving only an unregulated wireless or VOIP provider in its place.

While mobile wireless or VOIP service may be competitive alternatives for some, these services are not true competitive alternatives for all customers (e.g. areas with poor coverage, issues with reaching 9-1-1). For most businesses, wireless only service is not a practical option.

If only one unregulated provider were left in an exchange, the Commission would have no pricing oversight of those services to customers. A provider could charge whatever rates they wanted and customers would be forced to pay the charges or be left without phone service.

If only a wireless or VOIP provider remains to serve an area, that provider could withdraw service at-will, leaving customers without any voice service options.

HB 4314 also repeals Section 306, thereby eliminating the requirement that at least one toll provider offer service in an exchange.

The issues we have identified in the legislation are not clean up issues but rather issues your constituents could very well end up with upon passage of this legislation.

For questions please call:

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